

SENATE BILL 167

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2004 Regular Session
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By: **Senators Pinsky, Astle, Brochin, Conway, Dyson, Exum, Forehand,
Frosh, Gladden, Green, Grosfeld, Hollinger, Hooper, Hughes, Jones,
Kelley, Klausmeier, McFadden, Miller, Ruben, Stone, and Teitelbaum**

Introduced and read first time: January 23, 2004

Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

2 **Prescription Drugs - Canadian Mail Order Plan**

3 FOR the purpose of requiring, on or before a certain date, the Secretary of Health and
4 Mental Hygiene, in coordination with the Secretary of Budget and Management,
5 to implement a Canadian Mail Order Plan for prescription drugs; requiring the
6 Canadian Mail Order Plan to provide prescription drugs to certain participants;
7 authorizing the Secretary of Health and Mental Hygiene to include enrollees
8 and recipients of other State prescription drug programs in the Canadian Mail
9 Order Plan; requiring the Secretary of Health and Mental Hygiene to contract
10 with a pharmacy benefits manager to operate the Canadian Mail Order Plan,
11 under the Secretary's direction; requiring the pharmacy benefits manager to
12 incorporate certain patient safety features in the Canadian Mail Order Plan;
13 specifying certain cost requirements for a prescription drug provided through
14 the Canadian Mail Order Plan; requiring the Secretary of Health and Mental
15 Hygiene to provide certain financial incentives to participants to purchase
16 prescription drugs through the Canadian Mail Order Plan; and generally
17 relating to provision of prescription drugs through a Canadian Mail Order Plan.

18 BY adding to

19 Article - Health - General

20 Section 15-141

21 Annotated Code of Maryland

22 (2000 Replacement Volume and 2003 Supplement)

23 **Preamble**

24 WHEREAS, Like many states, Maryland has experienced double-digit growth
25 in pharmacy costs in recent years, averaging 18 percent per year over the past three
26 years; and

27 WHEREAS, Growth in prescription drug costs has resulted from escalating
28 enrollment in State assistance programs, increased drug utilization per beneficiary,
29 rising drug costs, and new high-cost drugs replacing less costly drugs; and

1 WHEREAS, The State has used various mechanisms, such as tiered
2 co-payments and restricted formularies, to rein in rising prescription drug costs; and

3 WHEREAS, Canadian pharmaceutical pricing, distribution practices, and
4 favorable exchange rates can make medications needed by Maryland State
5 employees, Maryland Medical Assistance recipients, and Maryland Pharmacy
6 Assistance recipients available at far less cost to the State than current policy and
7 practice allows;

8 WHEREAS, Other states and localities, including Illinois, Iowa, Minnesota, and
9 Springfield, Massachusetts, are promoting access to Canadian pharmacies for their
10 citizens; and

11 WHEREAS, The pharmaceutical manufacturing, storage, distribution, and
12 dispensing requirements under Canadian law are substantially equivalent to United
13 States federal requirements; now, therefore,

14 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
15 MARYLAND, That the Laws of Maryland read as follows:

16 **Article - Health - General**

17 15-141.

18 (A) ON OR BEFORE JULY 1, 2005, THE SECRETARY, IN COORDINATION WITH
19 THE SECRETARY OF BUDGET AND MANAGEMENT, SHALL IMPLEMENT A CANADIAN
20 MAIL ORDER PLAN FOR PRESCRIPTION DRUGS.

21 (B) THE CANADIAN MAIL ORDER PLAN SHALL PROVIDE PRESCRIPTION
22 DRUGS, AS SPECIFIED IN THIS SECTION, TO THE FOLLOWING PARTICIPANTS:

23 (1) STATE EMPLOYEE AND RETIREE HEALTH AND WELFARE BENEFITS
24 PROGRAM ENROLLEES;

25 (2) MARYLAND MEDICAL ASSISTANCE PROGRAM RECIPIENTS;

26 (3) MARYLAND PHARMACY ASSISTANCE PROGRAM RECIPIENTS; AND

27 (4) ENROLLEES AND RECIPIENTS OF ANY OTHER STATE PRESCRIPTION
28 DRUG PROGRAM AS THE SECRETARY DEEMS APPROPRIATE.

29 (C) THE SECRETARY SHALL CONTRACT WITH A PHARMACY BENEFITS
30 MANAGER TO OPERATE THE CANADIAN MAIL ORDER PLAN, UNDER THE DIRECTION
31 OF THE SECRETARY.

32 (D) THE PHARMACY BENEFITS MANAGER SHALL INCORPORATE PATIENT
33 SAFETY FEATURES IN THE CANADIAN MAIL ORDER PLAN, INCLUDING:

34 (1) REQUIRING A PARTICIPANT, PRIOR TO FILLING A DRUG
35 PRESCRIPTION THROUGH THE CANADIAN MAIL ORDER PLAN, TO:

1 (I) HAVE TOLERATED THE PRESCRIPTION DRUG FOR A MINIMUM
2 OF 1 MONTH THROUGH RETAIL PURCHASE; AND

3 (II) SUBMIT TO THE PHARMACY BENEFITS MANAGER A BRIEF
4 MEDICAL HISTORY, INCLUDING ALLERGIES, MEDICATION HISTORY, AND DIAGNOSES;

5 (2) DEVELOPING A RESTRICTED LIST OF PRESCRIPTION DRUGS
6 APPROPRIATE FOR MAIL ORDER;

7 (3) USING ONLY LICENSED PHARMACISTS TO DISPENSE PRESCRIPTION
8 DRUGS; AND

9 (4) REQUIRING PRESCRIPTION DRUGS TO BE PROVIDED THROUGH "UNIT
10 OF USE" PACKAGING SEALED AND SHIPPED DIRECTLY FROM THE MANUFACTURER
11 TO THE PHARMACY AND THEN TO THE PARTICIPANT, IN ORDER TO REDUCE
12 MEDICATION ERRORS AND THE POSSIBILITY OF COUNTERFEIT DRUGS.

13 (E) THE COST TO BOTH THE STATE AND THE PARTICIPANT FOR A
14 PRESCRIPTION DRUG PROVIDED THROUGH THE CANADIAN MAIL ORDER PLAN SHALL
15 BE LESS THAN THE COST TO BOTH THE STATE AND THE PARTICIPANT THROUGH
16 RETAIL PURCHASE.

17 (F) THE SECRETARY SHALL PROVIDE A FINANCIAL INCENTIVE, SUCH AS THE
18 ELIMINATION OR REDUCTION OF THE CO-PAYMENT, TO PARTICIPANTS TO
19 PURCHASE PRESCRIPTION DRUGS THROUGH THE CANADIAN MAIL ORDER PLAN.

20 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
21 October 1, 2004.